



Security Council

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Letter dated 14 December 2001 from the Chairman of the Security Council Committee established pursuant to resolution 1373 (2001) concerning counter-terrorism addressed to the President of the Security Council

The Counter-Terrorism Committee has received the attached report from Bahrain, submitted pursuant to paragraph 6 of resolution 1373 (2001) (see annex). I should be grateful if you would arrange for this letter and its annex to be circulated as a document of the Security Council.

(Signed) **Jeremy Greenstock**
Chairman of the Counter-Terrorism Committee



Annex

Letter dated 13 December 2001 from the Permanent Representative of Bahrain to the United Nations addressed to the Chairman of the Security Council Committee established pursuant to resolution 1373 (2001) concerning counter-terrorism

[Original: English]

I have the honour to transmit herewith the report of the Government of the State of Bahrain on the implementation of Security Council resolution 1373 (2001) concerning counter-terrorism (see enclosure).

(Signed) Jassim M. Bualay
Ambassador
Permanent Representative

Enclosure

[Original: Arabic]

Report of the State of Bahrain on the steps it has taken to implement Security Council resolution 1373 (2001)**I. Introduction**

Pursuant to Security Council resolution 1373 (2001), adopted unanimously on 27 September 2001, the State of Bahrain has taken every possible step to ensure compliance with all of its provisions. It has done so in accordance with its position of rejecting all acts of terrorism in all its forms and manifestations, out of commitment to the goals of the United Nations as they relate to the maintenance of international peace and security, and in order to support the sustained international effort to take effective measures against terrorism following the events of 11 September 2001 in the United States of America.

Bahrain reaffirms its support for all measures that seek to eliminate terrorism, and it joins the rest of the world in condemning all terrorist acts, deeds and practices regardless of where they are committed and of who the perpetrators may be. It also endorses the view that the United Nations can play a constructive role in combating the phenomenon. Bahrain attaches great importance to the implementation of the measures set forth in the resolution, and it has thus conducted a thorough review of the measures currently in place in the country to combat terrorism at the national and international levels.

II. Steps taken at the national level

Bahrain has formed a task force of the relevant entities in order to coordinate the adoption and supervision of the measures required under the terms of Security Council resolution 1373 (2001). In this connection, the competent authorities of the State of Bahrain are taking numerous measures in response to the resolution and are doing so in the areas discussed hereunder.

1. Measures against the financing of terrorist acts**1.1. Supervision of banks and other financial institutions**

Since its establishment in 1973, the Bahrain Monetary Agency has been involved in regulating all banks and other financial institutions with a view to ensuring the highest degree of credibility and improving banking practices in the country's financial sector. The circulars issued by the Agency are the principal means by which it seeks to enforce the best monitoring and disclosure practices recommended by such international bodies as the Financial Action Task Force on Money Laundering, the Basel Committee on Banking Regulations and Supervisory Practices, the Financial Stability Forum, the Organisation for Economic Cooperation and Development, the International Monetary Fund and the United Nations.

Compliance by banks and other financial institutions with the Agency's regulations is assessed by means of regular on-site inspections by Agency staff,

frequent meetings with top management in the institutions in question and accountants' reports. Additionally, the external auditors of banks are required to confirm on an annual basis in the published accounts that there have been no breaches of the Agency's regulations.

Beginning in 1989, the State of Bahrain has issued through the Agency circulars on the prohibition and suppression of money-laundering and on preventing the financing of terrorist acts. A circular on the implementation of anti-money-laundering regulations was issued to banks and other financial institutions by the Agency on 14 October 2001, with extensive requirements for the monitoring of transactions, record keeping and the reporting of suspicious transactions to the Agency.

The Agency has also issued a circular on the implementation of the provisions of Security Council resolution 1373 (2001). It seeks: to prevent and suppress the financing of terrorist acts; to criminalize the provision or collection of funds for terrorists; to freeze the funds of terrorists and terrorist entities; to prohibit the provision of any funds, financial assets or financial services to terrorists (para. 1 (a)-(d) of the resolution); to prevent those who finance, plan, facilitate or commit terrorist acts [from using the country's territory] against other States; to ensure that any person who participates in the financing, planning or preparation of terrorist acts is brought to justice; and to afford the greatest measure of mutual assistance in connection with criminal investigations relating to the financing or support of terrorist acts (para. 2 (d)-(f) of the resolution).

In addition to the circular on the implementation of Security Council resolution 1373 (2001), the Agency had previously issued circulars requiring banks and other financial institutions to implement Security Council resolutions 1267 (1999) and 1333 (2000), both of which are also relevant to the suppression of the financing of terrorism.

The Agency's regulations include anti-money-laundering measures that impose numerous requirements with respect to customer and beneficiary identification, record keeping and the reporting of suspicious transactions. They also include requirements for all banks and other financial institutions to monitor transactions that take place through correspondent banks, to appoint a money-laundering reporting officer and to submit reports. They require all institutions to obtain and record the identity documents of account holders and to examine the identity documents of parties to transactions that have a value of 6,000 Bahraini dinars or more. Commercial banks are also required to report all financial transactions valued at more than 20,000 Bahraini dinars that take place through the accounts of charitable funds and associations and to provide details of the beneficiaries.

The Agency has established a compliance unit to receive reports of banking transactions suspected as money-laundering operations and of all other suspicious transactions that may take place through banks and other financial institutions in Bahrain. The unit also applies the financial sanctions required by the resolutions of the Security Council.

The Agency is currently formulating regulations on electronic (wire) transfers that incorporate the relevant aspects of the eight Special Recommendations on Terrorist Financing recently adopted by the Financial Action Task Force on Money Laundering.

It should also be noted that alternative remittance networks such as the *hawalah* and other systems will not be permitted to operate in Bahrain without licences, and whoever operates such a system without a licence will be regarded as having violated the Bahrain Monetary Agency Law.

1.2. Prohibition and suppression of money-laundering

The State of Bahrain has made great strides in supplementing its legislation for the prohibition and suppression of money-laundering, and among the most important enactments in this field has been Decree Law No. 4/2001, promulgated on 29 January 2001.

The Decree Law confers broad powers on the competent authorities and on the unit charged with its implementation to receive reports from the institutions it stipulates, including banks and other financial institutions, on any suspicious transactions possibly linked to terrorist offences or any other crimes. It criminalizes the laundering of the proceeds of any criminal activity and defines "criminal activity" as any activity that constitutes a punishable offence in the State of Bahrain or any other country.

The Decree Law requires the institutions concerned to establish and verify the identity of their customers and their customers' beneficiaries, and it requires internal reporting in banks and other financial institutions. All the institutions concerned are required to retain copies of the identity documents of each new customer for a period of five years.

For the purpose of combating terrorism, the information that will become available to all the parties concerned through the implementation of the provisions of the money-laundering law will be of major importance in identifying the sources of suspect funds linked with terrorist operations or activities and the parties suspected of involvement in terrorist activities as well as the entities that transfer funds to them.

Legal measures can be taken on the basis of this information in accordance with the provisions of article 8 of the Decree Law, and there can be exchanges of information with all countries under the provisions of its article 9.

A policy committee on the prohibition and suppression of money-laundering has been formed by the Ministry of Finance and National Economy, and the Ministry of the Interior has also established an anti-money-laundering unit to perform the functions of the enforcement unit for which provision is made in the Decree Law.

1.3. Financial supervision of social associations and clubs

Financial supervision outside the domain of banks and other financial institutions, and especially of charitable donations, comes under the Social Associations and Clubs Law promulgated by Decree Law No. 21/1989. The Ministry of Labour and Social Affairs is the administrative entity generally responsible for supervising compliance with this law. Its article 20 states explicitly that no association may obtain funds from a foreign person or entity or send the same to persons or organizations abroad without the permission of the competent administrative authority.

Article 89 of the same law provides that whoever collects donations in a manner contrary to its provisions shall be subject to a penalty of imprisonment for a term of not more than six months, or a fine of not more than 500 Bahraini dinars, or both.

The Ministry of Labour and Social Affairs seeks to ascertain the revenues and disbursements of charitable funds. In this context, a firm of auditors has been retained since 1998 to assume responsibility for auditing the budgets of some 65 charitable funds, with the State meeting all of the relevant costs. The Ministry is also endeavouring to establish computer links with all non-governmental organizations in order to facilitate communication and remain informed of all budgetary and administrative matters pertaining to such associations.

2. The Penal Code

The measures taken to prevent the commission of terrorist acts, eliminate the supply of weapons to terrorists and deny safe haven to them and prevent their movement across borders (resolution 1373 (2001), para. 2 (a)-(d)), come under the Penal Code promulgated by Decree Law No. 15/1976. Although it contains no explicit references to terrorist acts, there are many provisions in its chapter VI that relate to offences that constitute a public danger, including crimes of arson, crimes relating to explosives, infamous crimes and crimes involving interference with communications. All the offences enumerated in chapter VI may thus be included under numerous terrorist crimes, given that they endanger people's lives and property or cause extreme fear.

Many of the criminal acts enumerated in chapter I of the section on specific crimes, which is on offences against the internal and external security of the State, fall into the category of terrorist crimes. The Code provides that whoever knowingly gives or provides to an armed group weapons, equipment or vehicles that it may use to achieve its objectives, or who sends it supplies or collects funds for it, or who enters into criminal communications in any manner whatever with the leader or leaders of such a group, or who, knowing its purpose and character, provides it with accommodation or premises in which its members may take refuge or meet together shall be sentenced to life imprisonment or to imprisonment for a term.

It should be noted that article 6 of part II of the section on general provisions, concerning the application of the Code *ratione loci*, states that its provisions shall apply to any national or alien who commits outside the State of Bahrain any act that makes him a perpetrator of or accessory to a felony prejudicial to the external or internal security of the State such as those stipulated in parts I and II of chapter I of the section on specific crimes. In this way Bahrain criminalizes terrorist acts, and they constitute a crime against the external or internal security of the State whether the offence is committed in Bahrain or elsewhere, whether by a national or an alien and whether the person concerned is a primary perpetrator or an accessory to the crime.

There is also no scope for adducing political motives as a reason to refuse the extradition of suspected terrorists, especially since the State of Bahrain ratified the Arab Convention for the Suppression of Terrorism by its Law No. 15/1998. Article 1 of the convention defines terrorism as:

"Every act or threat of violence, whatever its motives or purposes, that occurs in the advancement of an individual or collective criminal agenda and seeks to sow panic among people, cause them to fear harm, or place their lives, liberty or security in danger, or seeks to cause damage to the environment or to public or private installations or property or to occupy or seize them, or seeks to jeopardize a national resource."

It goes on to define a terrorist offence as "Any offence or attempted offence committed in the advancement of a terrorist objective ...". Article 2 denies terrorist offences the character of political offences, even if committed for political motives.

3. Security measures against terrorist acts

The Ministry of the Interior takes all possible preventive security measures to ensure that the territory of the State of Bahrain cannot be used for the commission of any terrorist acts or to shelter terrorist elements or recruit members for terrorist groups and organizations.

The competent security service conducts investigations and makes arrangements to ensure that financing of terrorism or financial cooperation with terrorist elements or organizations is prevented. In cooperation with the Bahrain Monetary Agency, it takes measures to ensure that it is not possible for elements suspected of being connected with terrorist activities or terrorist groups to make use of the banks and other financial institutions and it makes arrangements for the immediate investigation of any transactions that may be suspicious and for verification that they are not linked to terrorism.

Bahrain is also anxious to deny safe haven to those who finance, plan or commit terrorist acts or provide refuge to terrorists, and it does not permit any alien to take up residence in the State before ascertaining his good character and verifying that he is not in any of the aforesaid categories.

Moreover, the security services of the State of Bahrain cooperate with their counterparts in other countries in preventing the financing of terrorist acts. They are fully prepared to exchange information with them and to assist them in the conduct of any investigations or inquiries as requested.

It should be noted that the Ministry of the Interior is implementing a security strategy based on increased control over points of entry to and departure from the country and enhanced security-related monitoring and observation at the maritime boundaries and all crossing points. It has tightened procedures for inspection, observation, heightened alertness and the scrutiny of passports in order to thwart any attempt by terrorist elements to infiltrate into or transit Bahrain for any other country or to smuggle weapons or explosives. The Ministry of the Interior has also sought to introduce more sophisticated equipment in order to increase the effectiveness of inspections of travellers, baggage, cars and trucks at points of entry by using up-to-date technical systems that accord with the international regulations and standards in effect in this regard. The relevant security services also provide border points with the information they receive from other countries concerning terrorist elements or those suspected of being involved in suspicious dealings with terrorist organizations or elements.

The security services maintain close and positive contacts with the relevant security services of other countries at the regional and international levels and coordinate actively with them, and information is exchanged with each one of them on an ongoing basis on the prevention of terrorist acts and their prosecution and suppression. There is full cooperation and a full exchange of information, and the Bahraini security services respond positively to any request in this regard.

The Ministry of the Interior has also taken the necessary measures to provide security monitoring and observation and to protect and safeguard major sites and potential targets as well as foreign installations and interests and the premises of diplomatic and consular missions. It has endeavoured to strengthen its capacities and acquire the necessary equipment to prevent and thwart any attempt to commit acts of terrorism using any means whatever, especially explosives and chemical and biological materials.

In cooperation and coordination with the other entities concerned, the Ministry of the Interior is studying legal norms and provisions for the suppression of terrorism, whether substantive or procedural, with a view to introducing amendments to further improve the ways in which the legislative and security authorities can counter terrorism in keeping with the relevant conventions and with the international commitment to prevent and suppress terrorism.

III. Steps taken at the international level

The State of Bahrain has stepped up its efforts with respect to measures to combat terrorism, including the exchange of information on the actions or movements of terrorists or terrorist networks in accordance with domestic law, international law and the relevant Security Council resolutions, and to increase cooperation in the implementation of the multilateral conventions relating to terrorism (resolution 1373, para. 3 (a)-(e)).

In this connection, on 14 November 2001 Bahrain signed the International Convention for the Suppression of the Financing of Terrorism adopted by the United Nations General Assembly on 9 December 1999. It is in the process of completing the legal procedures necessary for it to accede to the International Convention for the Suppression of Terrorist Bombings adopted by the United Nations General Assembly on 15 December 1997.

Bahrain has acceded to the following conventions relating to the suppression of international terrorism:

1. Convention on Offences and Certain Other Acts Committed on Board Aircraft, signed at Tokyo on 14 September 1963. Bahrain acceded to this convention under Decree Law No. 4/1983.

2. Convention for the Suppression of Unlawful Seizure of Aircraft, signed at The Hague on 16 December 1970. Bahrain acceded to this convention under Decree Law No. 4/1983.

3. Convention for the Suppression of Unlawful Acts against the Safety of Civil Aviation, signed at Montreal on 23 September 1971. Bahrain acceded to this convention under Decree Law No. 4/1983.

4. Protocol for the Suppression of Unlawful Acts of Violence at Airports Serving International Civil Aviation, supplementary to the Convention for the Suppression of Unlawful Acts against the Safety of Civil Aviation of 23 September 1971, signed at Montreal on 24 February 1988. Bahrain acceded to this protocol under Decree Law No. 15/1995.

5. Convention on the Marking of Plastic Explosives for the Purpose of Detection, signed at Montreal on 1 March 1991. Bahrain acceded to this convention under Decree Law No. 35/1995.

Bahrain also ratified the Arab Convention for the Suppression of Terrorism, signed at Cairo on 22 April 1998, under Decree Law No. 15/1998.

IV. Conclusion

The State of Bahrain has supported international moves to combat terrorism and has expressed its readiness to cooperate with and participate in efforts and measures that seek to eliminate terrorism and terrorist elements and the places they are given shelter and the sources of their financing. Bahrain has done so in affirmation of its established position of principle condemning terrorism in all its forms and manifestations and regardless of its motives and of the entity responsible for it. It has censured all acts of violence and extremism, which are incompatible with the teachings of the Islamic religion and its tolerant values as well as with all the civilized concepts and humanitarian values that the State of Bahrain believes in and supports.

Bahrain's legal system embraces many provisions that reinforce the approach adopted by the Security Council in its resolution 1373 (2001). The State of Bahrain has taken numerous measures to combat terrorism, both by implementing the international norms and international covenants relating to counter-terrorism and by taking additional incisive steps for the suppression of terrorism and its financing in accordance with this and other relevant resolutions of the Security Council.